

## **Minutes of the meeting held on Monday August 4, 2014**

Present: Francis Murphy – Chair, Michael Gardner, Nadia Chamblin-Foster, John Shinkwin, Ellen Philbin, Attorney James Quirk, Chris Burns and Attorney Thomas Gibson.

Arrived late: James Monagle (Not present for agenda items 1 and 2.)

The meeting was called to order at 5:10 PM. The meeting was digitally recorded.

Burns announced the result of the election. John Shinkwin received 954 votes and Karen Preval received 383 votes. The Chairman congratulated Shinkwin on his election.

### **Agenda Item #1 – Minutes**

Motion by Gardner, seconded by Chamblin-Foster to accept the regular minutes of the meeting held on July 7, 2014. The motion carried on a 3-0 vote, with Shinkwin abstaining and Monagle absent.

Motion by Chamblin-Foster, seconded by Gardner to accept the executive session minutes of the meeting held on July 7, 2014. The motion carried on a 3-0 vote with Shinkwin abstaining and Monagle absent.

### **Agenda #2 - Warrant**

The Director noted that the transfer of funds from Fred Alger to Rhumblin should be completed by the middle of the month. Alger will bill the system once more for management services in the third quarter.

Motion by Gardner, seconded by Chamblin-Foster to accept payment of warrant #14 in the amount of \$5,505,948.12 and Warrant #15 in the amount of \$796,862.79. The motion carried on a 4-0 vote with Monagle absent.

### **Agenda Item #3 – Superannuations**

Motion by Shinkwin, seconded by Gardner to accept the Superannuation retirement applications submitted by Maryann Cataldo, Benefits Clerk, Cambridge School Department with twenty-seven years eight months, Bertha A. Chandler, Assistant Director for Human Resources, Cambridge Public Library with thirty-one years seven months, Rose Danner, Nurse Practitioner Psychiatric, Cambridge Health Alliance sixteen years nine months, Bonnie M. Johnston, Public Health Nurse, Cambridge Health Alliance with twenty-one years ten months, Loretta Kehayias, OSE/Assistant, Cambridge School Department with ten years, John Marcotti, Staff RN, Cambridge Health Alliance with ten years, Antonette C. Nonni, Clerk – H.R. Cambridge School Department with sixteen years two months, Valerie Osofsky, Staff Nurse, Cambridge Health Alliance with seventeen years six months and Suzanne Quinn, H.R. Specialist, Cambridge School Department with fifteen years. Voted unanimously.

### **Agenda Item #4 – Redeposits / Make up / Liability**

The Board reviewed make-up and redeposit worksheets for six members.

Motion by Gardner, seconded by Shinkwin to allow the redeposit of refunds requested by Regina S. Berkowitz, one year and six month, to allow the make-up of contributions requested by Laurie E Diminico, three years and three months (pro-rated), Alexander Ilyinskii, five months (pro-rated), Ellen Lyons-Connors, four months (pro-rated), John C. Marcotti, two months (pro-rated) and Michael J. Roberson, one year and five months (pro-rated). Voted unanimously.

### **Agenda Item #5 – Refund Applications**

The Board reviewed a list of refund applications received in July.

Motion by Monagle, seconded by Gardner to accept eight refund applications. Voted unanimously.

The Chairman requested to adjourn the open meeting and go into executive session for the purpose of discussing disability retirement applications. The Chairman stated that the meeting would reconvene in open session at the conclusion of the executive session.

On a roll call, the vote was as follows:

Michael Gardner:	YES
Nadia Chamblin-Foster:	YES
John Shinkwin:	YES
James Monagle:	YES
Francis Murphy:	YES

**Agenda Item #6 - Accidental Disability Benefit – Robert Degou**

The Board reviewed the certificate and narrative reports of three separate medical exams, the member's application, treating physician's statement and employer's statement pertaining to Robert Degou's Accidental Disability application.

Gardner moved to reject the findings of the medical panel and to grant Accidental Disability benefits to Robert Degou. Monagle seconded the motion and it was voted unanimously.

**Agenda Item #7 - Accidental Disability Benefit – Benjamin Hartshorn**

The Board reviewed the certificate and narrative reports of three separate medical exams, the member's application, treating physician's statement and employer's statement pertaining to Benjamin Hartshorn's Accidental Disability application.

Motion by Gardner, seconded by Chamblin-Foster to accept the findings of the medical panel and grant Accidental Disability benefits to Benjamin Hartshorn, a Working Supervisor in the Department of Public Works. Voted unanimously.

**Agenda Item #8 - Accidental Disability Benefit – Francis Judd**

The Board reviewed letters of clarification from the panel physicians, the certificate and narrative reports of the original medical panel, the member's application, treating physician's statement and employer's statement pertaining to Francis Judd's Accidental Disability application.

Gardner moved to accept the minority findings of the medical panel and deny Accidental Disability benefits to Francis Judd. Chamblin-Foster seconded the motion. On a roll call, the motion carried on a 3-1 vote, with Shinkwin voting "No" and the Chairman not voting.

**Agenda Item #9 - Workers' Compensation Policy**

The Board reviewed correspondence and draft policies prepared by Attorney Thomas Gibson and Attorney James Quirk.

Quirk noted that Gibson's draft policy calls for an amount paid to the Retirement Board of 20% of the gross proceeds in virtually all circumstances. Quirk stated that his policy is more flexible and considers a number of factors in arriving at a fair amount to be deducted for the retirement system.

Gardner stated that he feels that it is in the interests of the City and the employees to settle cases as smoothly as possible, and that the process can be disrupted if the Board demands an excessive share of the settlement. He stated that he objected to the fact that both policies describe taking a percentage of the gross amount of the settlement. He proposed that settlements should be based only on the portion of the settlement used to offset lost wages.

Quirk stated that by including only one category of income, the Board would provide an incentive to manipulate settlements, by assigning payments to categories that the Retirement Board would not deduct. He also noted that did not feel that he was hindering the settlement process, in that most of the attorneys involved expect to pay around 20% of the gross settlement to the Retirement Board.

Monagle requested that the matter be tabled to allow him more time to review the drafts, and the Board agreed without objection.

#### **Agenda Item #10 – PERAC Memo**

The Board reviewed PERAC memos numbered from 26 through 28.

The Director stated that Burns will attend PERAC's electronic document training.

The increase in the dependent allowance will be effective in the next retiree payroll.

#### **Agenda Item #11– Old Business**

Gardner stated that he and Monagle have requested information from various retirement systems and department heads within the City of Cambridge to perform an analysis of the Executive Director's salary. Gardner stated that he hopes have a full report for the Board prepared for the September meeting.

The Chairman appointed a committee, consisting of Nadia Chamblin-Foster and John Shinkwin to review the salary and benefits structure for Hanh Tran and Cecilia Stevens, to determine if their workload has increased, and if their responsibilities are comparable to similarly placed employees within the City of Cambridge, or other retirement systems. Chamblin-Foster stated that she would also like to review the potential for growth and promotion for other staff members. The Director noted that staff members were encouraged to apply for the two recent openings in the office, but did not choose to. The Chairman stated that the committee should confer with the Executive Director in preparing their report.

The Chairman requested that the Director provide information on any backup plans in place to cover for employees who may require a long-term absence. He suggested that the system may wish to prepare a list of available temporary employees, and provide funding to hire them when necessary. The Director stated that staff member can and have covered for each other in the past, and that she can also request help from employees at other retirement systems who consult on their own time.

#### **Agenda Item #12- New Business**

Not needed.

#### **Agenda Item #13 - Executive Session**

Agenda Item #6 –adopted

Agenda Item #7 – adopted

Agenda Item #8 – denied

#### **Agenda Item #14 - Chairman's Report**

The Chairman stated that he has received several requests for Cambridge to sign on to amicus briefs involving securities litigation cases. Gibson suggested that the Board may wish to adopt a policy regarding securities litigation.

#### **Agenda Item #15 - Executive Director's Report**

The Director reported that there were 49 applications for the Member Services Coordinator position. The Director stated that she made an offer to Christopher McLaughlin, who currently works as the Benefits Administrator for the Town of Brookline. McLaughlin accepted the position, and he will start on August 25<sup>th</sup>.

The City Council approved the increase in the stipend for Board Members to \$4,500 annually, effective August 1, 2014.

The staff will work overtime in August to calculate benefits for the Hospital employees who retired in late July and early August.

Quirk stated that he has reviewed PERAC Memo #21. He stated that it is unclear if the memo is preventing Boards from paying benefits to a single person who might qualify for both Accidental Death and Option C survivor benefits, and that Gibson has already requested clarification from PERAC. The Director stated that the widow of a recently deceased retiree may be affected by this memo.

The Board also reviewed the following documents:

- Notice of Retiree Deaths
- Correspondence from Attorney James H. Quirk re: CRB (PERAC MEMO 21/2014 – Concurrent Benefits).
- Correspondence from Attorney James H. Quirk re: CRB (Ninth Circuit Decision in Gabriel vs. Alaska Elec. Pension Fund).
- Correspondence from Attorney James H. Quirk re: James Zavaglia vs. Gloucester Retirement Board and the Salem Retirement Board.
- PERAC Annual Report Statistics.
- May Financials - Cash Disbursements, Cash Receipts, General Ledger, Summary of Accounts Trial Balance, Adjustments, and Wire Transfers.
- NYC's Pension Funds Lag Peers in Private Equity Returns.
- CalPERS Pulls Back From Hedge Funds-Public Pensions Article.
- CalPERS Beats Targets, Scrutinizes Hedge Fund Program.
- Cambridge Contributory Retirement System – Preliminary Asset Allocation Comparison as of June 30, 2014.
- IR+M Income Research + Management – Disclosure Statement.
- Lazard Asset Management – Emerging Markets Equity – Second Quarter 2014.

Monagle moved to adjourn at 7:35 PM.